

Approved For Release 2004/01/14 : CIA-RDP75B00380R000800020036-7



CENTRAL INTELLIGENCE AGENCY

Office of Legislative Counsel  
Washington, D. C. 20505

Telephone:

6 November 1973

**TO: Mr. Frank M. Slatinshek**  
**Chief Counsel**  
**House Armed Services Committee**

**Frank:**

Herewith is a copy of our cost  
of living amendment to CIARDS  
which was forwarded to the Speaker  
of the House today. A cost analysis  
is included, which is classified  
Confidential.

JGO

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CRC, 10/24/2003

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Office of Legislative Counsel  
Washington, D. C. 20505

Telephone:

6 November 1973

**TO:** Mr. T. Edward Braswell  
Chief Counsel  
Senate Armed Services Committee

Ed:

Herewith is a copy of our cost  
of living amendment to CIARDS which  
was forwarded to the President pro  
tempore of the Senate today. A cost  
analysis is included, which is classified  
Confidential.

GLC

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ESTIMATED COST

In determining the cost of this legislation, the Civil Service Commission in its comments on the same proposal observed that:

"To the extent that employees delayed retirement by a few months they would (1) pay contributions to the Fund for a longer period, and (2) not receive any annuity for those months--a combination necessarily resulting in more money in the Fund. On the other hand, to the extent that employees who would have retired after the effective date of the cost of living increase anyway receive a higher annuity than they would have received if they had retired on the effective date, more money would be paid out of the Fund."

It is estimated that the legislation will increase the unfunded liability of the CIA Retirement and Disability Fund by [ ] in the case of retirees and survivors since 2 July 1973 and by about \$ [ ] for those who would be made eligible for the cost of living adjustment which is scheduled to take effect on 1 January 1974. (the [ ] figure was arrived at by applying the correlation which exists for the Civil Service system estimate of unfunded liability for the class of retirees and survivors whose annuities become effective after 1 July 1973 and 1 January 1974).

25X1A  
25X1A  
25X1A

25X1A

Under proposed draft legislation which would place the funding of the CIA Retirement Act on the same basis that applies to the Civil Service retirement system, there would be paid by the Treasury a certain amount of the interest due on the additional unfunded liability of [ ] which is created by this legislation. Using a five percent valuation the interest due would amount to [ ] per annum and over a five year period the payments into the Fund would amount to:

25X1A

Fiscal year 1974 (40 percent of  
Fiscal year 1975 (50 percent of  
Fiscal year 1976 (60 percent of  
Fiscal year 1977 (70 percent of  
Fiscal year 1978 (80 percent of

25X1A

**CONFIDENTIAL**

CONFIDENTIAL

ESTIMATED COST

In determining the cost of this legislation, the Civil Service Commission in its comments on the same proposal observed that:

"To the extent that employees delayed retirement by a few months they would (1) pay contributions to the Fund for a longer period, and (2) not receive any annuity for those months--a combination necessarily resulting in more money in the Fund. On the other hand, to the extent that employees who would have retired after the effective date of the cost of living increase anyway receive a higher annuity than they would have received if they had retired on the effective date, more money would be paid out of the Fund."

It is estimated that the legislation will increase the unfunded liability of the CIA Retirement and Disability Fund by [redacted] case of retirees and survivors since 2 July 1973 and b [redacted] for those who would be made eligible for the cost of living adjustment which is scheduled to take effect on 1 January 1974. (the [redacted] figure was arrived at by applying the correlation which exists for the Civil Service system estimate of unfunded liability for the class of retirees and survivors whose annuities become effective after 1 July 1973 and 1 January 1974).

25X1A

25X1A

25X1A

Under proposed draft legislation which would place the funding of the CIA Retirement Act on the same basis that applies to the Civil Service retirement system, there would be paid by the Treasury a certain amount of the interest due on the additional unfunded liability [redacted] which is created by this legislation. Using a five percent valuation the interest due would amount to [redacted] per annum and over a five year period the payments into the Fund would amount to:

25X1A

Fiscal year 1974 (40 percent of [redacted])  
Fiscal year 1975 (50 percent of [redacted])  
Fiscal year 1976 (60 percent of [redacted])  
Fiscal year 1977 (70 percent of [redacted])  
Fiscal year 1978 (80 percent of [redacted])

25X1A

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Office of the Legislative Counsel

EXTENSION

NO.

DATE

5 November 1973

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

ER

5 NOV 1973

2.

3.

The Director

11/5

11/5

WCL/bip

Attached for your signature are a letter to the Speaker of the House and a letter to the President pro tempore of the Senate, forwarding the Agency's proposed bill amending the cost of living provisions in CIARDS to conform to the CSC system.

OMB has approved our package.

4.

5.

6.

7.

Att.

25X1A

8.

RETURN TO OLC FOR HAND-CARRY!!

9.

10.

11.

12.

13.

14.

15.

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9. [ ] Shelva Hoffman, in the office of Representative Hamilton Fish, Jr. (R., N.Y.), called to advise that two graduates from an international secretarial course were interested in overseas employment with the Agency. Employment interviews were arranged for [ ] for Thursday, 8 November at 2:00 and 2:30 with [ ] OP. Hoffman was advised.

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10. [ ] Met with Frank Slatinshek, Chief Counsel, House Armed Services Committee, and gave him a copy of the Director's letter to Representative Nedzi and briefed him on my conversations with Nedzi. I also briefed him on the Soviet Kara Class Cruiser modifications. I received from Slatinshek a copy of a letter from Representative Angelo Roncallo (R., N.Y.), together with the "Aviation Week and Space Technology" article of 5 November by Cecil Brownlow, referenced in Roncallo's letter. Slatinshek told me he had talked briefly with [ ] about this item.

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I also discussed with him proposed Agency legislation amending the CIARDS to provide a cost of living increment upon retirement, and told Slatinshek I expected to deliver the package to him tomorrow.

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25X1A

11. [ ] Met with Representative Melvin Price (D., Ill.), who told me that Ed Bauser had briefed him on the change in ratings of a technical matter discussed last week. He asked about [ ] 25X1A [ ] who is under consideration for a staff position in the Committee. I gave him the same information given Slatinshek earlier at the time of [ ] application was filed with the Committee. With regard to the Intelligence Subcommittee Watergate report, Price feels that the Committee conducted the most extensive hearings of any of the hearings with regard to CIA involvement and that on balance, the report is a good one. He looks forward to further hearings on Agency operations, which probably will not get underway until after the first of the year.

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12. [ ] Spoke with Gwenyth Pritchard, on the staff of Representative Joel Broyhill (R., Va.), and advised her that in connection with her request, a member of the Congressman's staff could get access to the [ ] in the reading room of the Library of Congress. She appreciated the assistance and said she would be in contact with us if the Congressman desired a subscription to one of the area books.

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Monday - 29 October 1973

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3. [ ] I met with Ed Braswell, Chief Counsel, Senate Armed Services Committee, and reviewed with him the matter of our interest in obtaining for CIARDS the recent cost-of-living increase approved for the Civil Service Retirement System. Braswell said he had no problem with this except the possible matter of time left in this session for getting any legislation on the floor and suggested that we get this bill to the Committee as quickly as possible. He also expressed the hope that our transmittal material cover the particular effect which this legislation would have on the CIARDS.

25X1A

I also briefed Braswell on our plans [ ] and left with him the Agency's report on S. 1547, a bill to establish a Joint Committee on National Security.

Jim Woolsey, of the Committee staff, joined us for a few minutes and briefed both Braswell and myself on Senator Nelson's intention to introduce a bill to establish a Joint Committee on Domestic Intelligence. Woolsey said that Senator Jackson's staff has contacted him on this legislation and indicated that Jackson is interested in cosponsoring the Nelson bill but wants to be certain that CIA, DIA, NSA, and any other agencies within the foreign intelligence field are excluded from the jurisdiction of the Committee. Woolsey said he has suggested several possibilities to Jackson's staff. He would prefer a specific exemption for the Agency and other foreign intelligence components but he understands that Nelson will not accept this. Woolsey's fall-back position is to have Nelson include in his bill the same language which is in the Stennis bill (S. 2597) setting forth the extent of CIA's involvement in domestic activities. I expressed the view that it would be unfortunate if this kind of substantive language were included in legislation which would be outside the jurisdiction of the Armed Services Committee and suggested as an alternative that language be put in the Nelson bill which would exclude various intelligence agencies by definition since their function is one of foreign rather than domestic intelligence.

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Friday - 26 October 1973

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7. [ ] Met with Marian Czarnecki, Chief of Staff, House Foreign Affairs Committee, and told him that the Director and Chairman Morgan did talk briefly on Wednesday before the Chairman's departure. I told him the Director had indicated that he would advise the Chairman of any findings from our review of the [ ]

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I left with Czarnecki for his review over the weekend a set of the affidavits that had been prepared concerning the handling of the transcript of the Director's 11 October briefing of the Committee.

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8. [ ] Met briefly with Representative Jamie L. Whitten (D., Miss.) outside the Appropriations Committee staff room. He noted with a smile that the Committee had had no difficulty in markup of the Agency's budget.

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9. [ ] Ralph Malvik, OMB, called to advise that OMB had no objection to the submission of the amendment to the CIA Retirement Act pertaining to cost of living adjustments, which he referred to as the "anti-bunching up amendment".

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10. [ ] In the company of [ ] 25X1A discussed with Jim Oliver, OMB, the proposed funding amendment to CIARDS which Oliver claimed would result in a public line item under the Secretary of Treasury's account for interest paid into the CIA Retirement Fund. After a general discussion of several possible alternatives and their implications, I said we would have to staff the problem out to the program managers involved and Mr. Colby before recommending an Agency position.

25X1A

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